



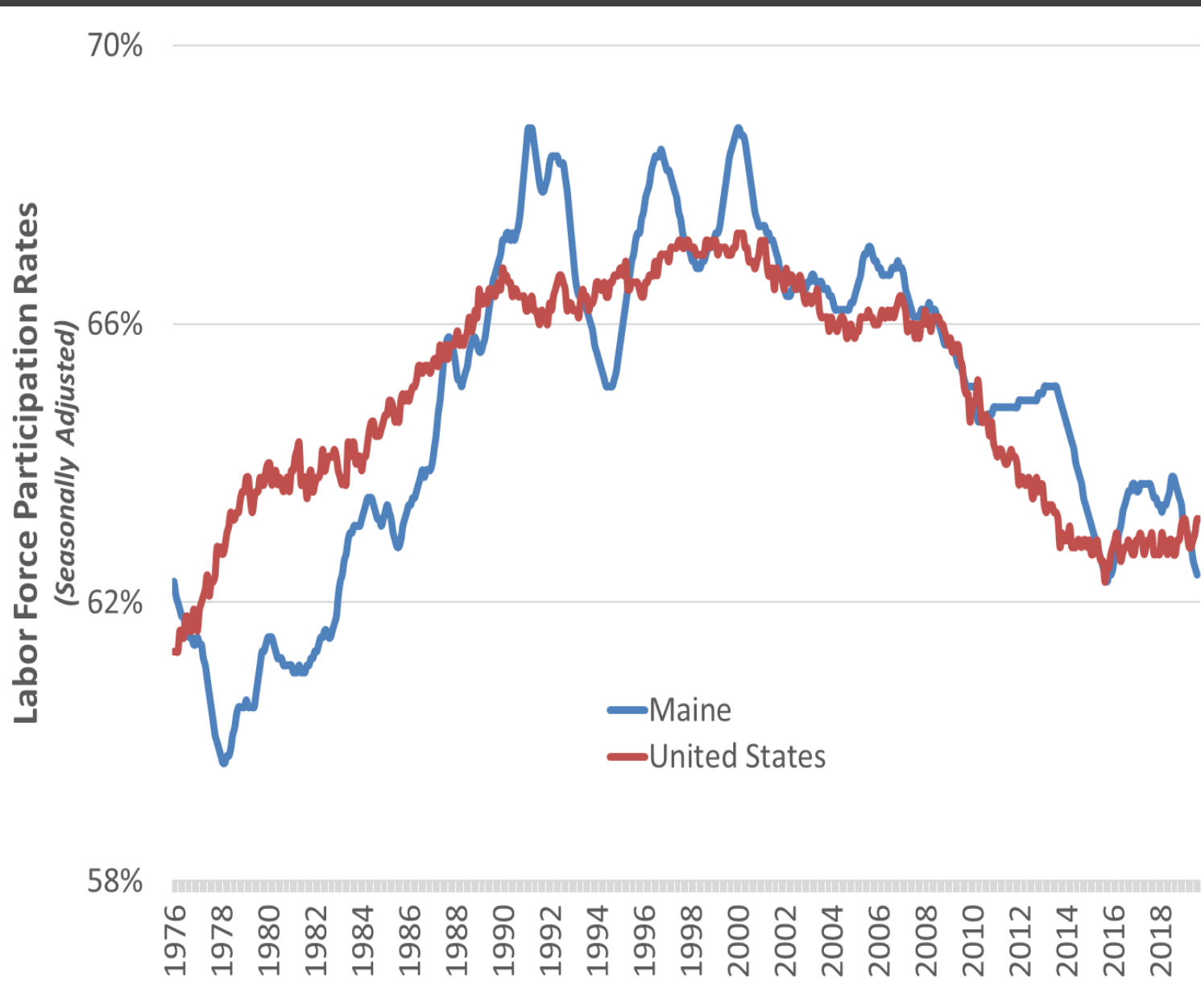
Who is not in the labor force?

**Presentation to State Workforce
Board December 2019**

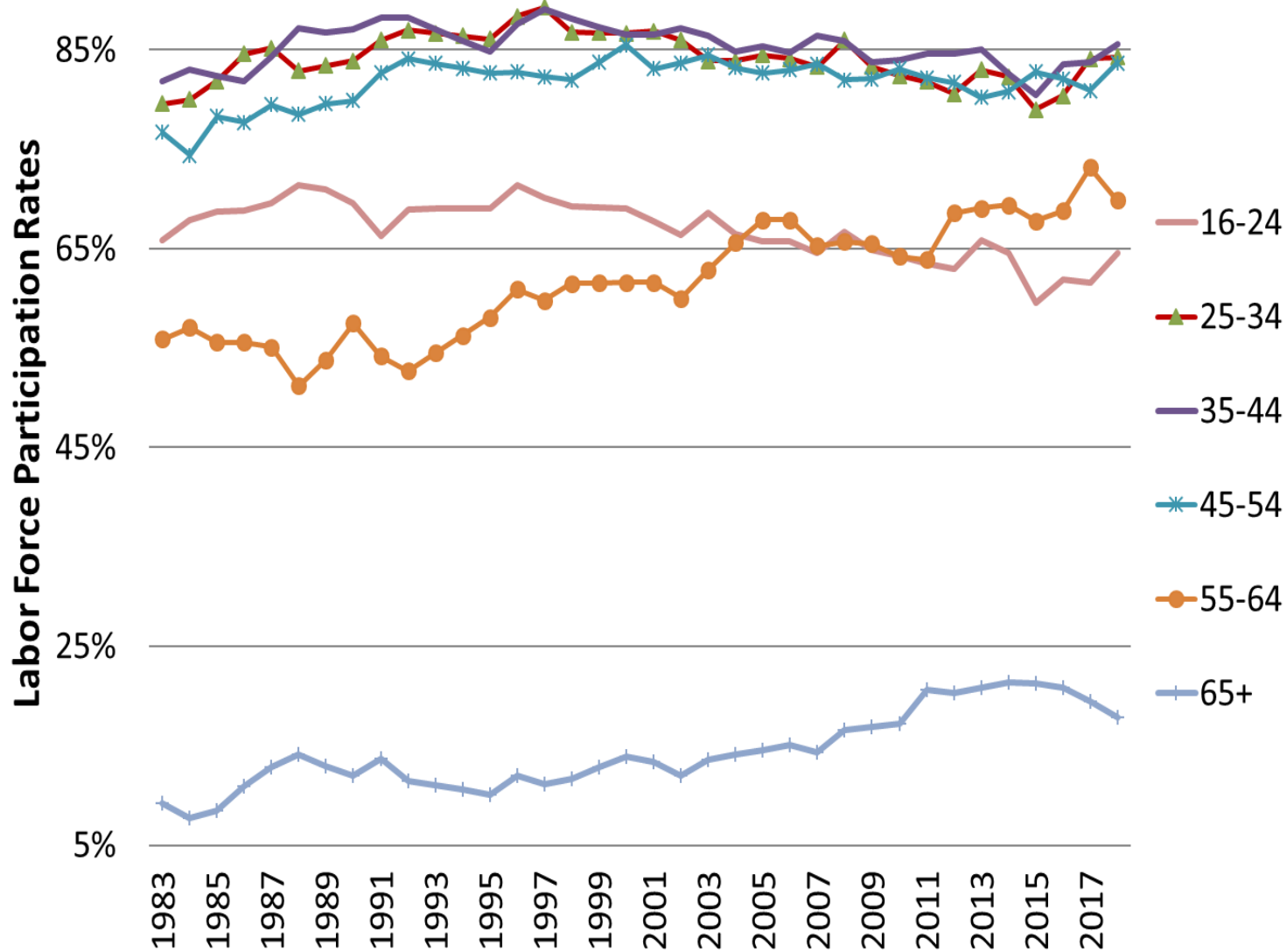
Glenn Mills
Chief Economist
Center for Workforce Research
Maine Dept. of Labor
www.maine.gov/labor/cwri
Glenn.mills@maine.gov
207-621-5192

How many are not in the labor force?

- People with disabilities
- People without a high school diploma
- By region of the state
- On unemployment
- Single parent households
- Reentry from incarceration



Maine and the nation had a prolonged period of rising labor force participation from the 1960s to around 2000. About 68 percent of the population age 16 and over was in the labor force two decades ago. Since then participation has declined to around 63 percent today.



Participation in the labor force of people under age 25 has declined modestly, primarily due to a higher share of them enrolled in high school or college, or preparing for college. Participation of prime-age workers 25 to 54 has not changed significantly and is near 85 percent. Participation of people age 55 to 64 and 65+ has been gradually rising.

If the age structure of the population were the same today as in 2000, the overall participation rate would be nearly the same. Because the baby boom generation is so large, the advancing age of its members will continue to drive the overall participation rate down as more people will be retired.

Labor Force Participation in 2018

| | | |
|---|-------------------------|---------------------------------------|
| Population | 1,340,000 | |
| Institutionalized or Not Civilian Population | 20,000 | Cannot Participate in the Labor Force |
| Kids Under Age 16 | 220,000 | |
| Civilian Non-Institutionalized Population Age 16+ | 1,100,000 | 100% |
| Civilian Labor Force | 698,000 | 63% |
| Employed | 675,000 | 61% |
| Unemployed | 23,000 | |
| <i>Unemployment Rate</i> | | 3.3% |
| Not in the Labor Force | 402,000 | 37% |
| Age 65+ | 218,000 | 20% |
| Age 16 to 24 (Most in School) | 55,000 | 5% |
| Age 25 to 64 | 129,000 | 12% |
| With a Disability, Not Working | 64,600 | 6% |
| With a Disability That Prevents Them From Working | Unknown* | Unknown |
| Age 25 to 64 Enrolled in College or Graduate School | 33,600* | Unknown |
| Total age 25 to 64 who are not in the labor force, not in school, and do not have a disability that prevents them from working. | Likely less than 50,000 | Likely less than 5% |

**It is not clear how many adults enrolled in college or graduate school are or are not in the labor force. It is not clear how many of those with a disability who are not working are prevented from working by their condition.*

Nearly half the population in Maine was not in the labor force in 2018. Many were children under age 16. Of the population age 16 and over, 63 percent were in the labor force and 37 percent were not. Of those not in the labor force, most were retired people age 65 and over; others were age 16 to 24, in high school or college. Among the 129,000 age 25 to 64 who were not in the labor force, some had a disability or other barriers to employment, some were in college or graduate school, and some were taking time out of the labor force to care for children or other family members.

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Work Experience by Disability Status of Population Age 18 to 64 in Maine, 2017

| Work Status | Population | Number | | Percent of Total | | |
|--|------------|---------------|-------------------|------------------|-------------------|------------------------|
| | | No Disability | With a Disability | No Disability | With a Disability | U.S. With a Disability |
| Total: | 808,231 | 695,789 | 112,442 | 100% | 100% | 100% |
| Worked full-time, year round | 430,726 | 407,334 | 23,392 | 59% | 21% | 23% |
| Worked less than full-time, year round | 232,539 | 208,066 | 24,473 | 30% | 22% | 21% |
| Did not work | 144,966 | 80,389 | 64,577 | 12% | 57% | 56% |

Source: U.S. Census Bureau, American Community Survey, table C18121

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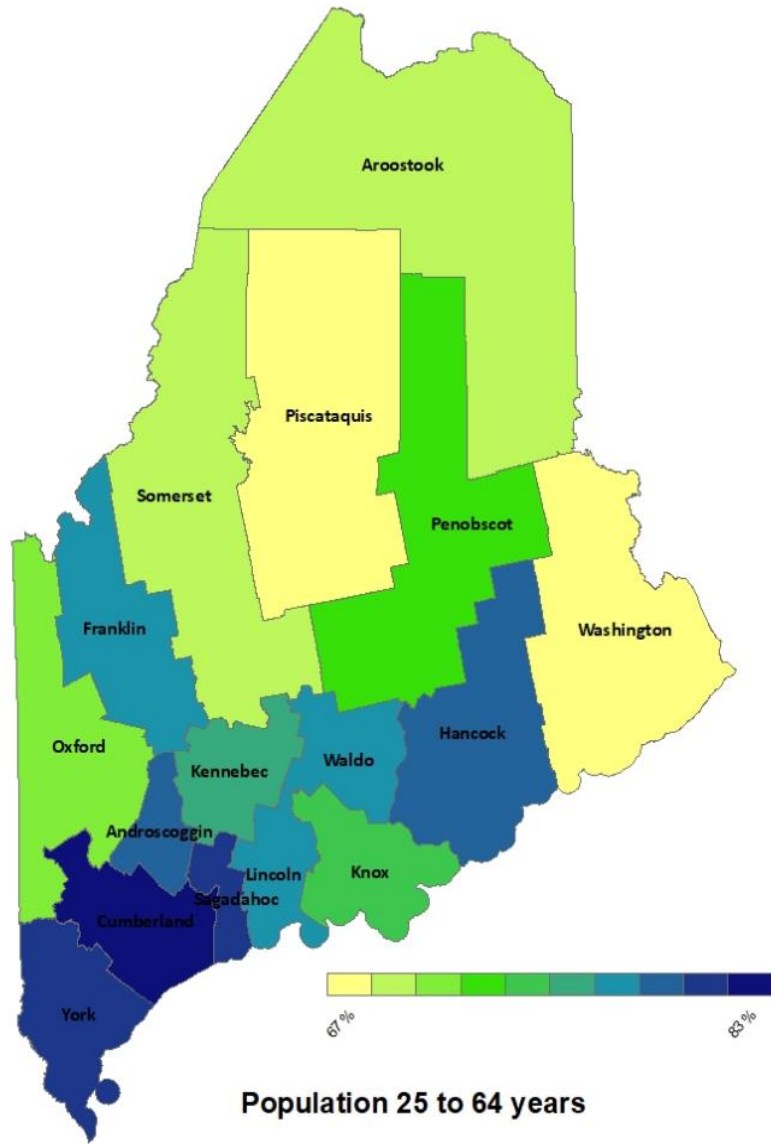
**Labor Force Status by Educational Attainment of
Maine Population Age 25 to 64, 2013 to 2017 Averages**

| | Number | | % of Total Population | | % of Population Group | |
|------------------------------------|-------------------|----------------|-----------------------|-------|-----------------------|------------|
| | U.S. | Maine | U.S. | Maine | U.S. | Maine |
| Total: | 168,539,255 | 710,955 | 100% | 100% | | |
| Less than high school graduate | 19,230,541 | 42,809 | 11% | 6% | | |
| In labor force: | 11,627,298 | 21,274 | | | 60% | 50% |
| Employed | 10,468,034 | 18,886 | | | | |
| Unemployed | 1,157,159 | 2,388 | | | | |
| Unemployment Rate | | | | | 10.0% | 11.2% |
| <i>Not in labor force</i> | <i>7,603,243</i> | <i>21,535</i> | | | <i>40%</i> | <i>50%</i> |
| High school graduate (equivalent) | 43,784,920 | 222,157 | 26% | 31% | | |
| In labor force: | 31,709,619 | 161,010 | | | 72% | 72% |
| Employed | 29,387,684 | 151,002 | | | | |
| Unemployed | 2,240,441 | 9,836 | | | | |
| Unemployment Rate | | | | | 7.1% | 6.1% |
| <i>Not in labor force</i> | <i>12,075,301</i> | <i>61,147</i> | | | <i>28%</i> | <i>28%</i> |
| Some college or associate's degree | 51,003,146 | 226,063 | 30% | 32% | | |
| In labor force: | 40,331,993 | 180,888 | | | 79% | 80% |
| Employed | 37,846,149 | 172,142 | | | | |
| Unemployed | 2,186,416 | 8,003 | | | | |
| Unemployment Rate | | | | | 5.5% | 4.4% |
| <i>Not in labor force</i> | <i>10,671,153</i> | <i>45,175</i> | | | <i>21%</i> | <i>20%</i> |
| Bachelor's degree or higher | 54,520,648 | 219,926 | 32% | 31% | | |
| In labor force: | 47,009,225 | 192,748 | | | 86% | 88% |
| Employed | 45,337,225 | 188,400 | | | | |
| Unemployed | 1,432,147 | 3,813 | | | | |
| Unemployment Rate | | | | | 3.1% | 2.0% |
| <i>Not in labor force</i> | <i>7,511,423</i> | <i>27,178</i> | | | <i>14%</i> | <i>12%</i> |

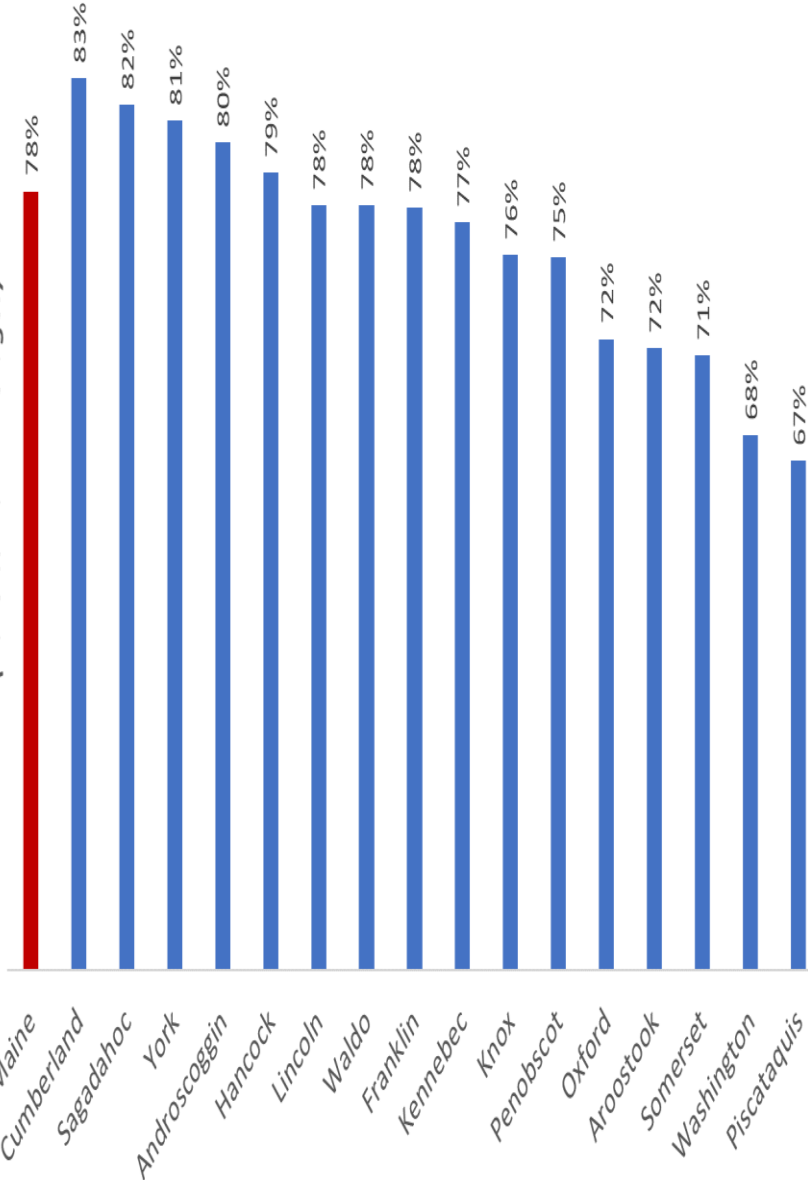
Source: U.S. Census Bureau, American Community Survey, table B23006

How many are not in the labor force?

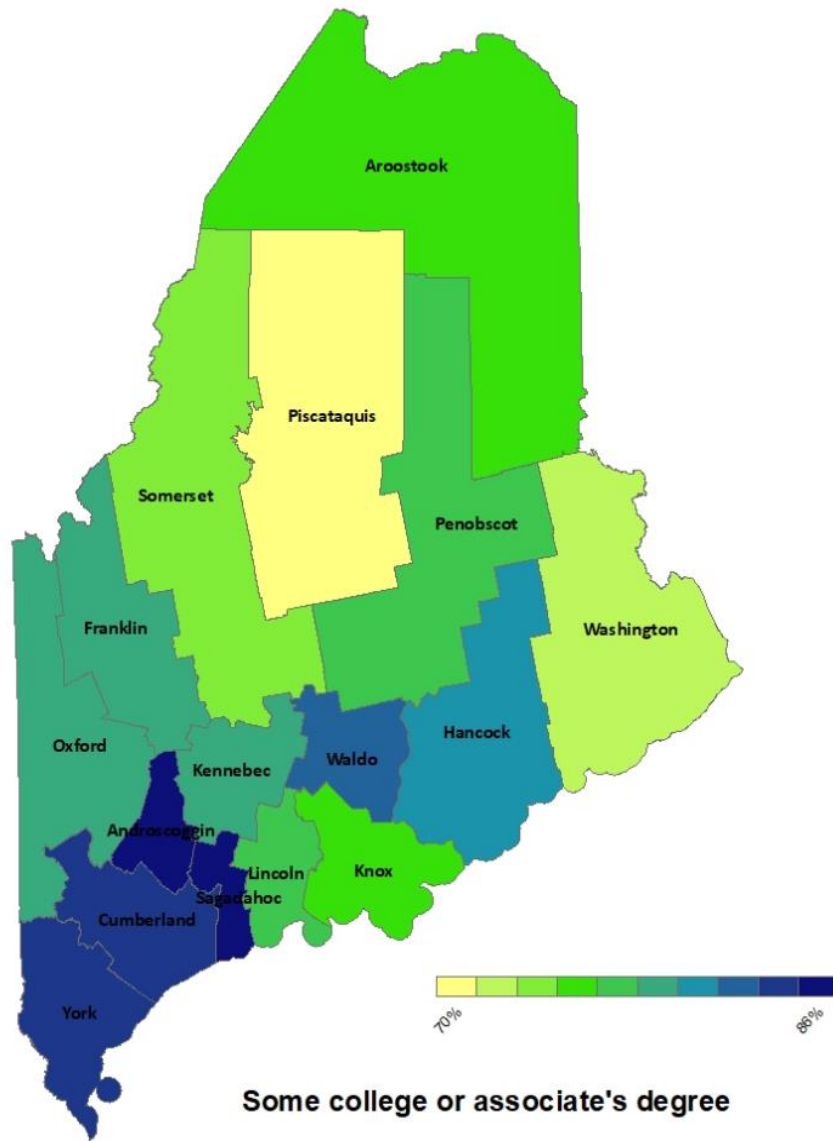
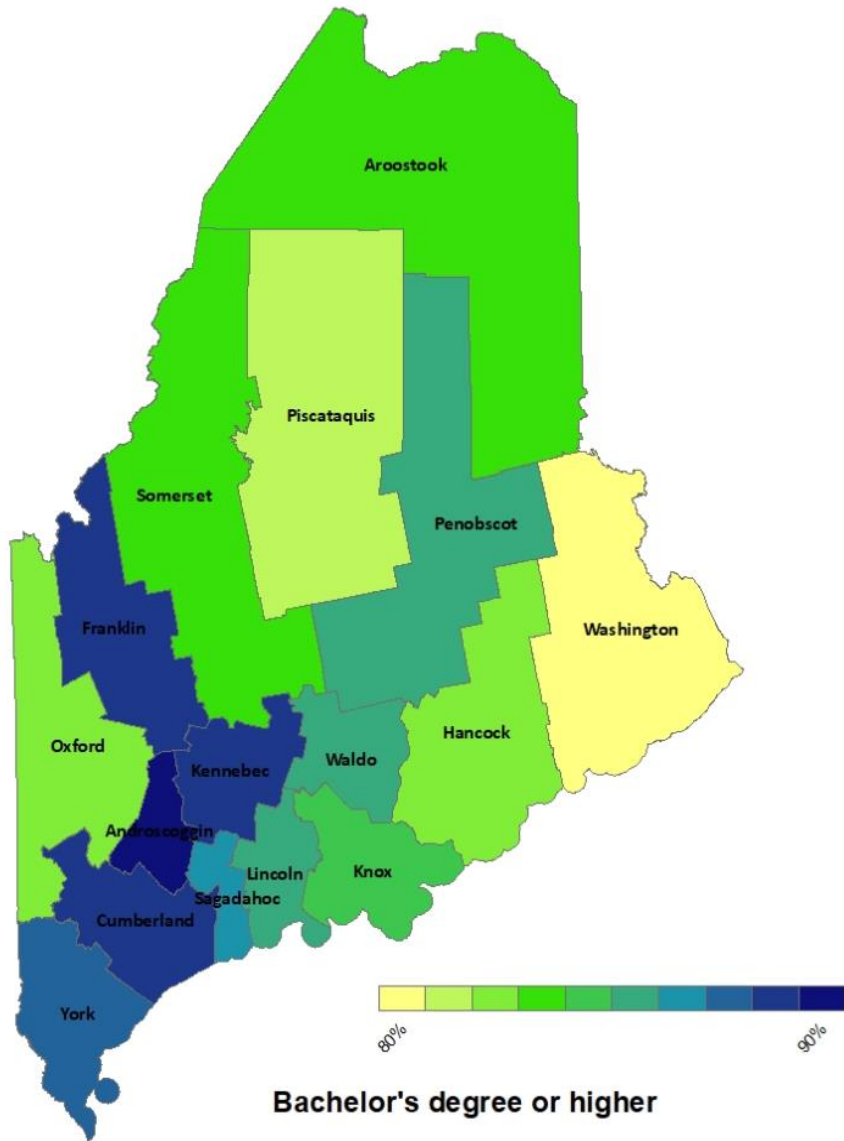
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**Age 25 to 64 Labor Force Participation Rates
(2013 to 2017 Averages)**

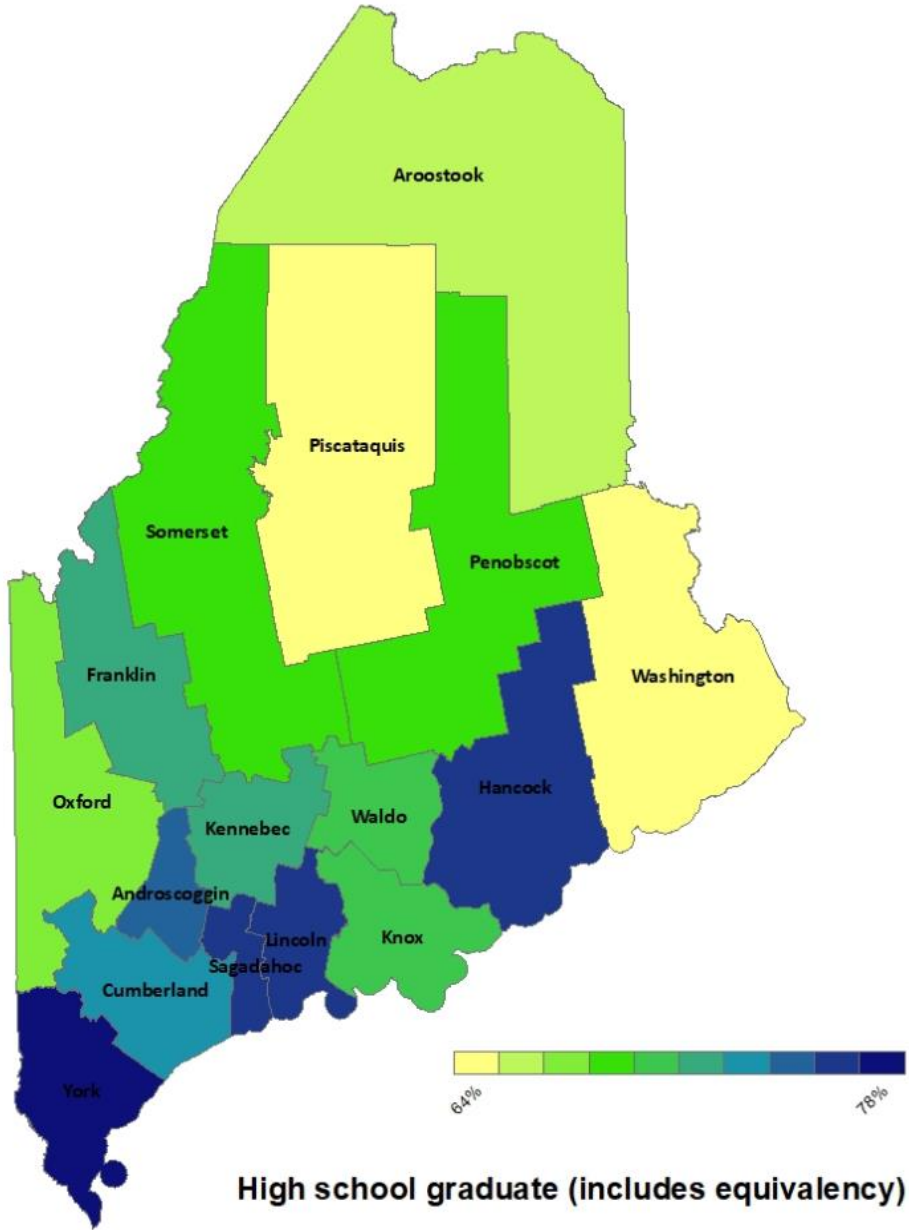


Labor force participation is strongly related to opportunity. Among those age 25 to 64, participation is highest in the southernmost counties, where population and job growth is strongest and unemployment is lowest. Participation is lowest in the northern rim of the state, where the population has been declining and unemployment is highest.

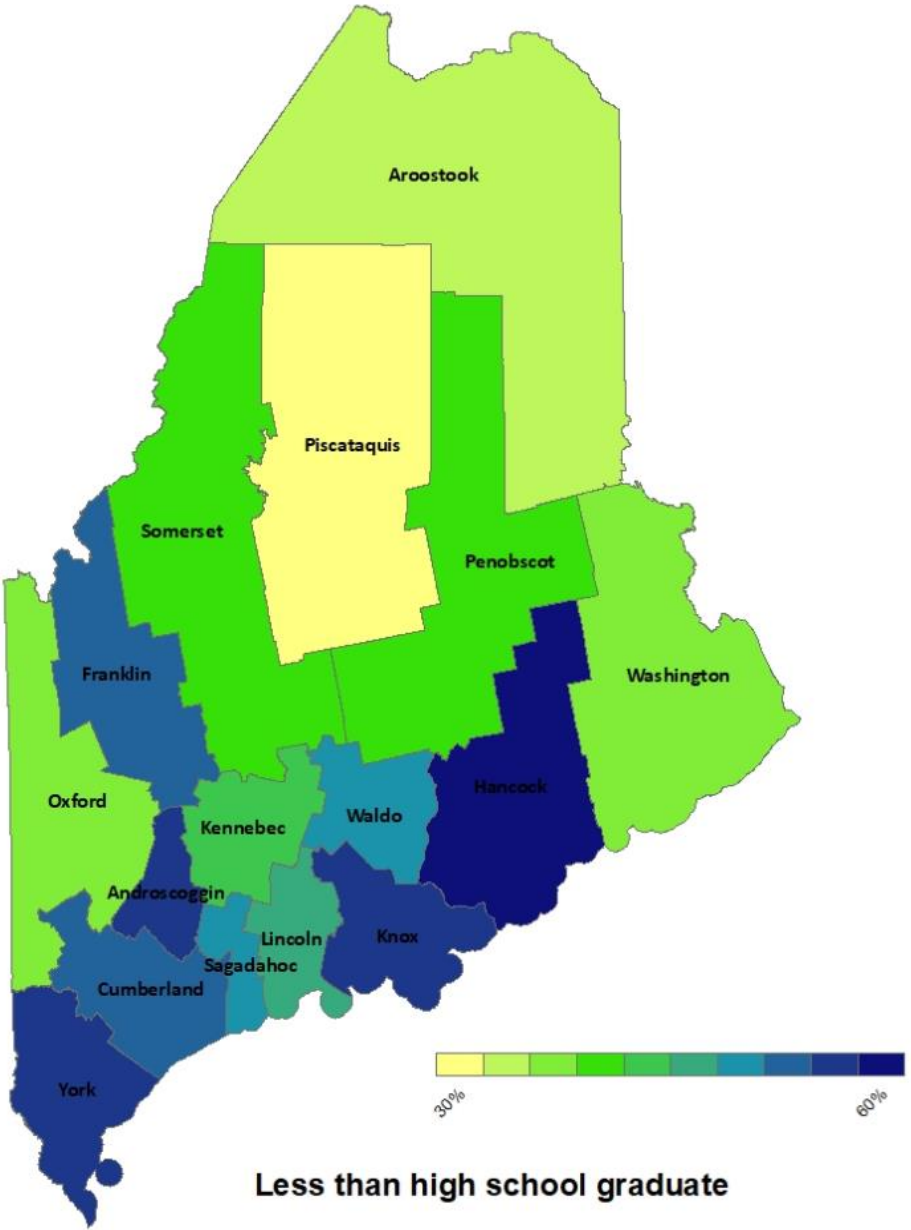


Labor force participation is highest among those with the most educational attainment, and it is highest in parts of the state where economic opportunity is highest.

In the south, where conditions are strongest, participation is higher at each level of education than in the north, where conditions are not as strong.



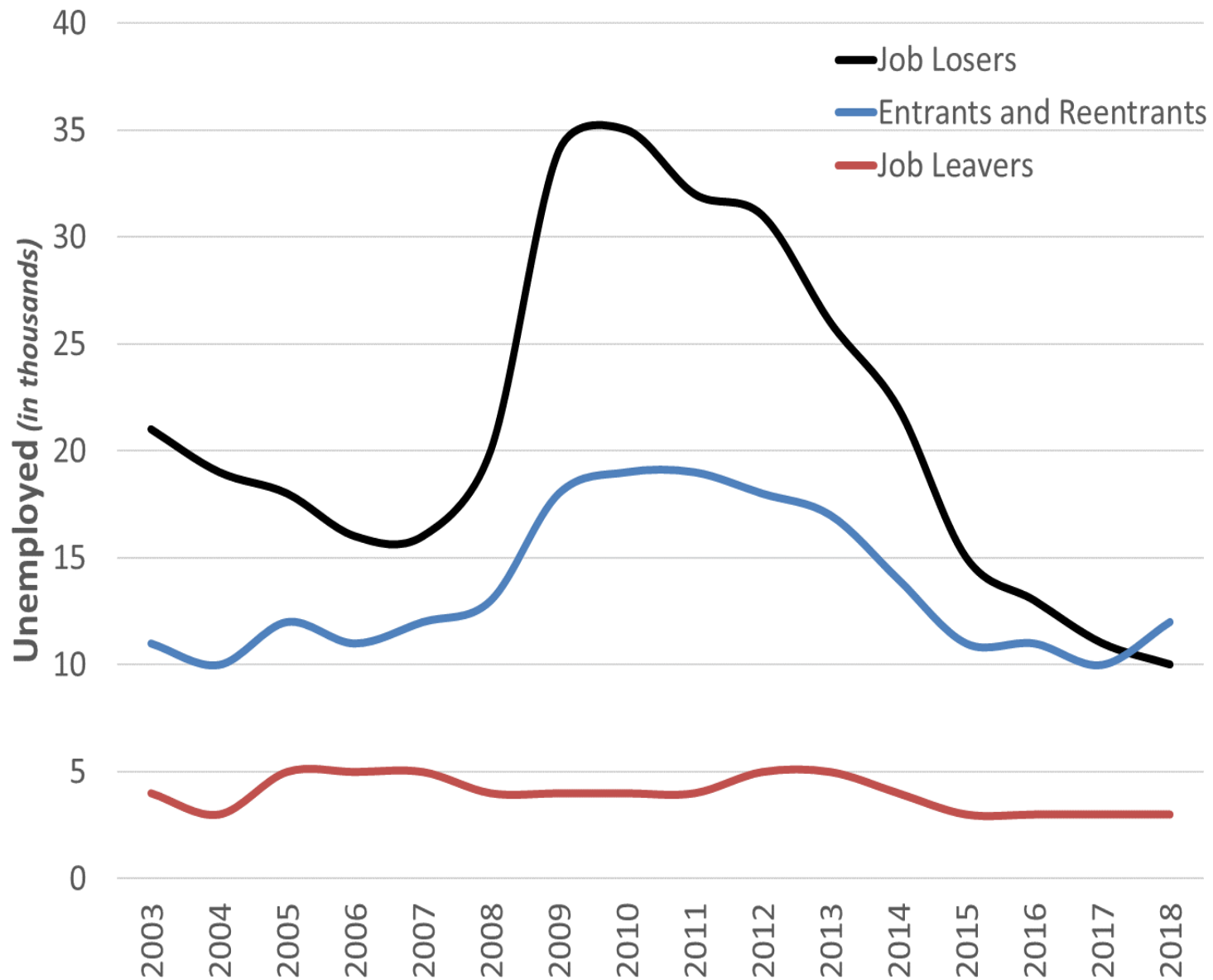
High school graduate (includes equivalency)



Less than high school graduate

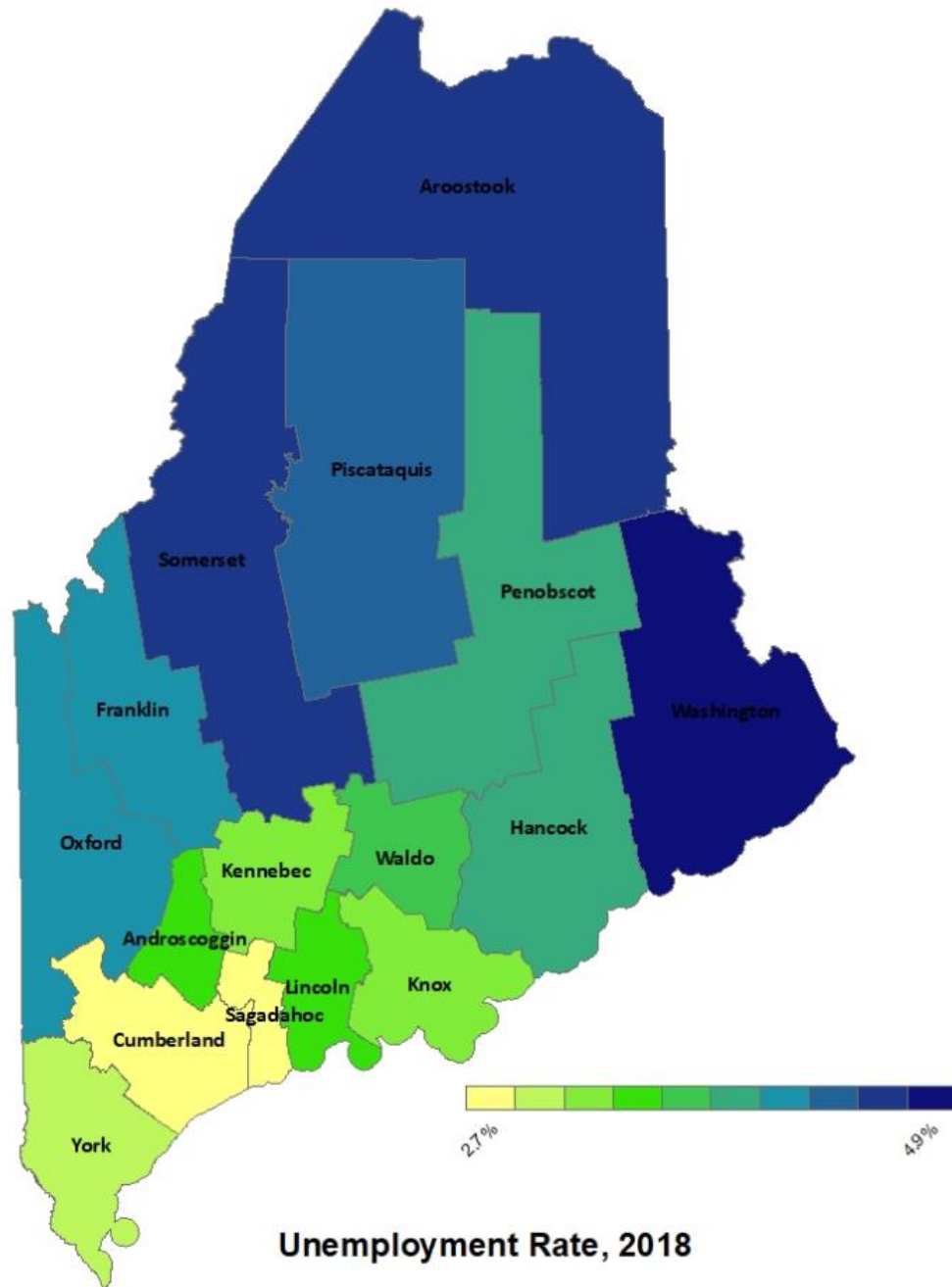
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A primary factor driving unemployment to historic lows was a sharp reduction in the number of people who lost their job. In 2018, 42% of those who were unemployed were job losers. The largest share were people who entered or reentered the labor force (by beginning work search or becoming available to work); a smaller number were those who left a job.

(Unemployed people are those who are both engaged in work search and are available to work. Retirees, full-time students, inmates, homemakers and others who are not employed and are not searching for work or are not available to work are not considered to be unemployed – they are not in the labor force.)



Unemployment Rate, 2018

Unemployment is low throughout the state, but highest along the northern rim and lowest along the south coast. This pattern has held for several decades. Forest products and agriculture long formed the economic base in much of the northern part of the state. Mechanization of timber and crop harvesting, closure of saw and paper mills, and other events disrupted the economy of the region. The southern part of the state, with higher population density, has faced similar disruptions in other industries, but greater economic diversity has generally made for less dramatic impacts.

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Households and Families in the United States and Maine, 2017

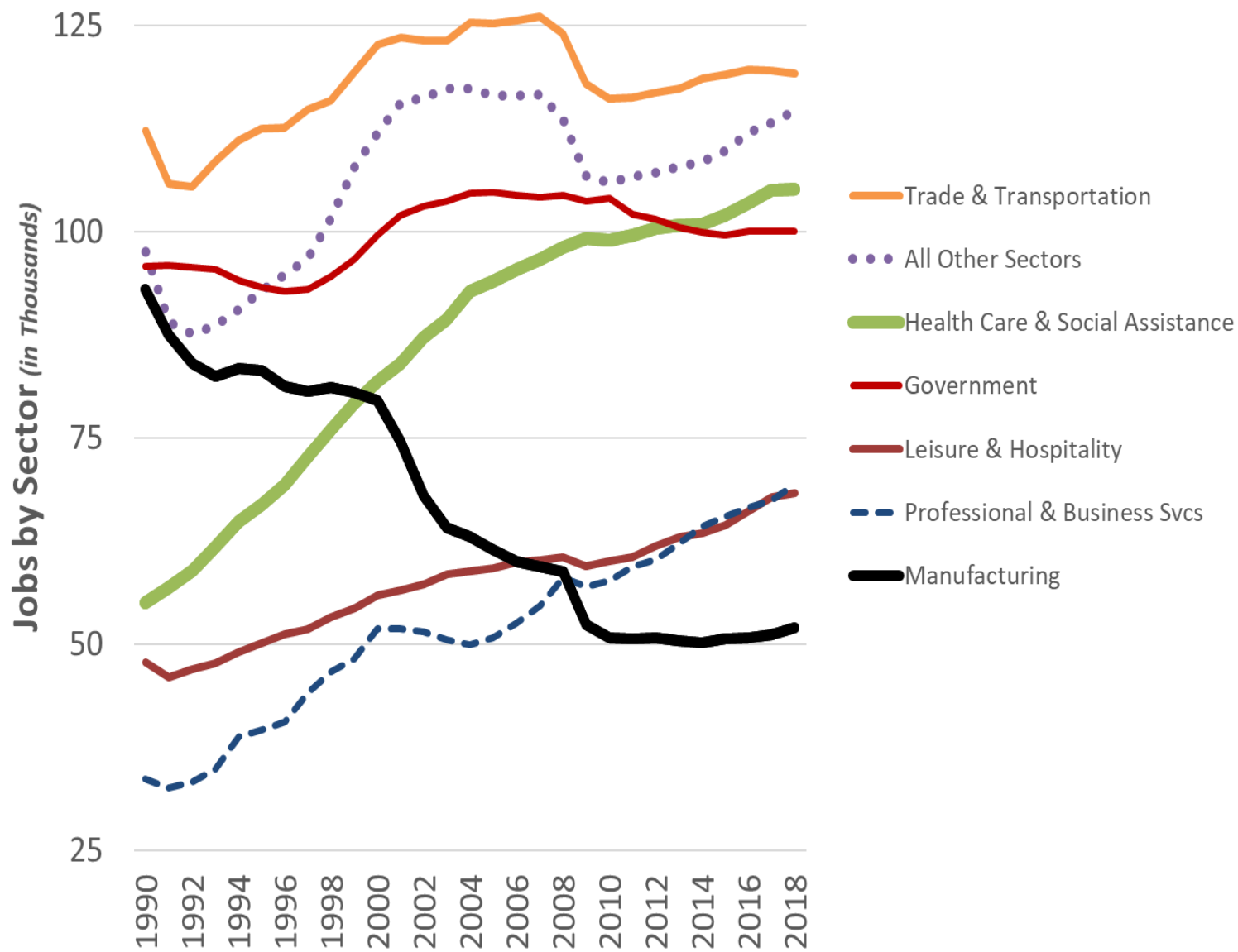
| Household Type | United States | | | | | Maine | | | | |
|---|---------------|---------------------------------------|---|--|------------------------|---------|---|---|--|------------------------|
| | Total | Married-couple family household | Male householder, no wife present, family household | Female householder, no husband present, family household | Nonfamily household | Total | Married- couple family household | Male householder, no wife present, family household | Female householder, no husband present, family household | Nonfamily household |
| Total households | 120,062,818 | 57,847,574 | 5,886,661 | 14,896,928 | 41,431,655 | 540,959 | 263,878 | 21,476 | 44,752 | 210,853 |
| Average household size | 2.65 | 3.29 | 3.52 | 3.55 | 1.29 | 2.4 | 2.99 | 3.72 | 3.44 | 1.31 |
| FAMILIES | | | | | | | | | | |
| Total families | 78,631,163 | 57,847,574 | 5,886,661 | 14,896,928 | (X) | 330,106 | 263,878 | 21,476 | 44,752 | (X) |
| Average family size | 3.26 | 3.26 | 3.1 | 3.33 | (X) | 2.99 | 2.96 | 3.14 | 3.09 | (X) |
| AGE OF OWN CHILDREN | | | | | | | | | | |
| Households with children under 18 years | 32,846,899 | 22,334,270 | 2,723,009 | 7,789,620 | (X) | 117,749 | 80,334 | 12,725 | 24,690 | (X) |
| Under 6 years only | 100% | 70% | 10% | 20% | | 100% | 73% | 11% | 15% | (X) |
| Under 6 years and 6 to 17 years | 100% | 71% | 6% | 22% | | 100% | 74% | 8% | 19% | (X) |
| 6 to 17 years only | 100% | 66% | 8% | 25% | | 100% | 65% | 11% | 24% | (X) |

Source: U.S. Census Bureau, American Community Survey, table S1101.

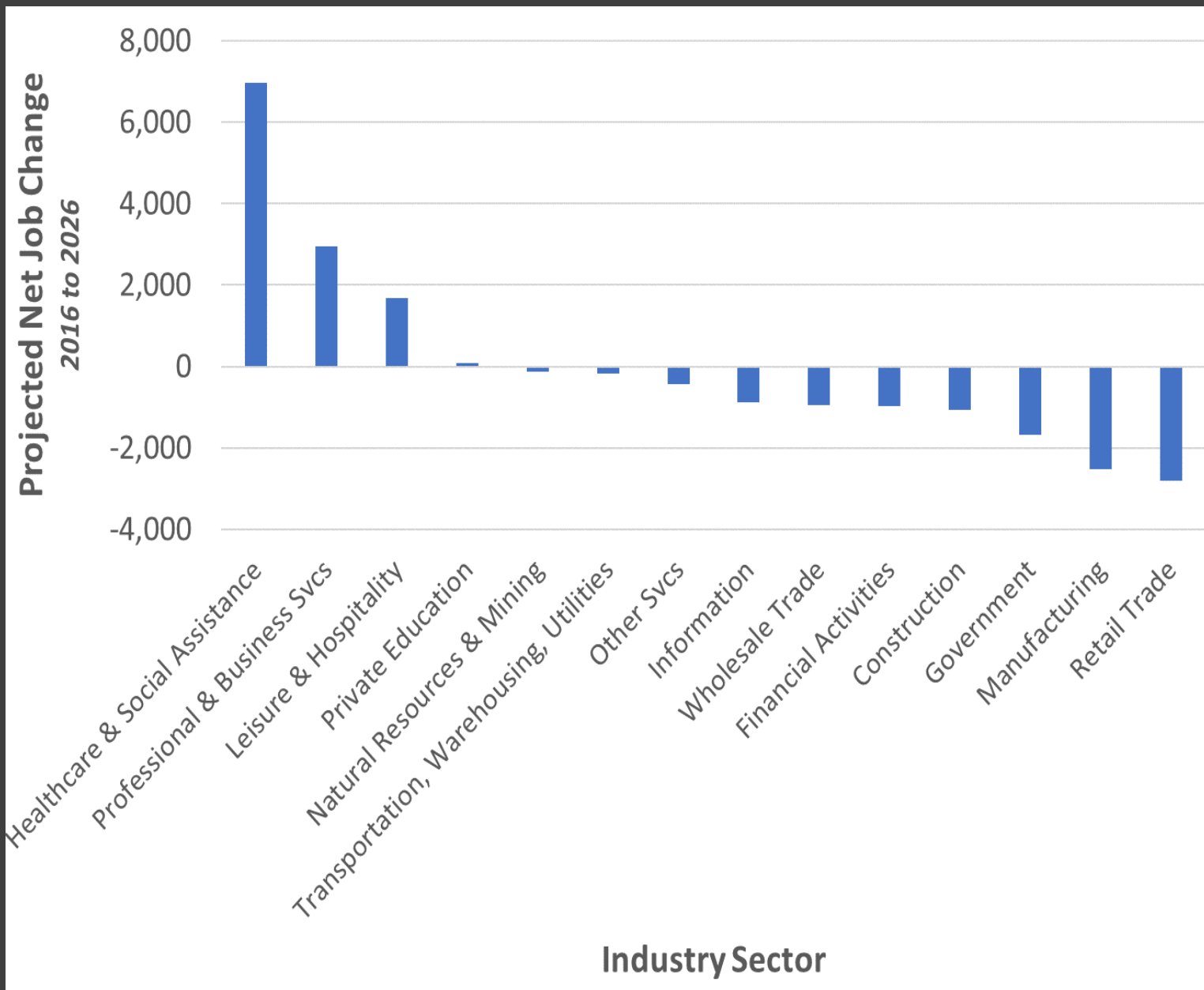
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A quick view of very broad labor market trends

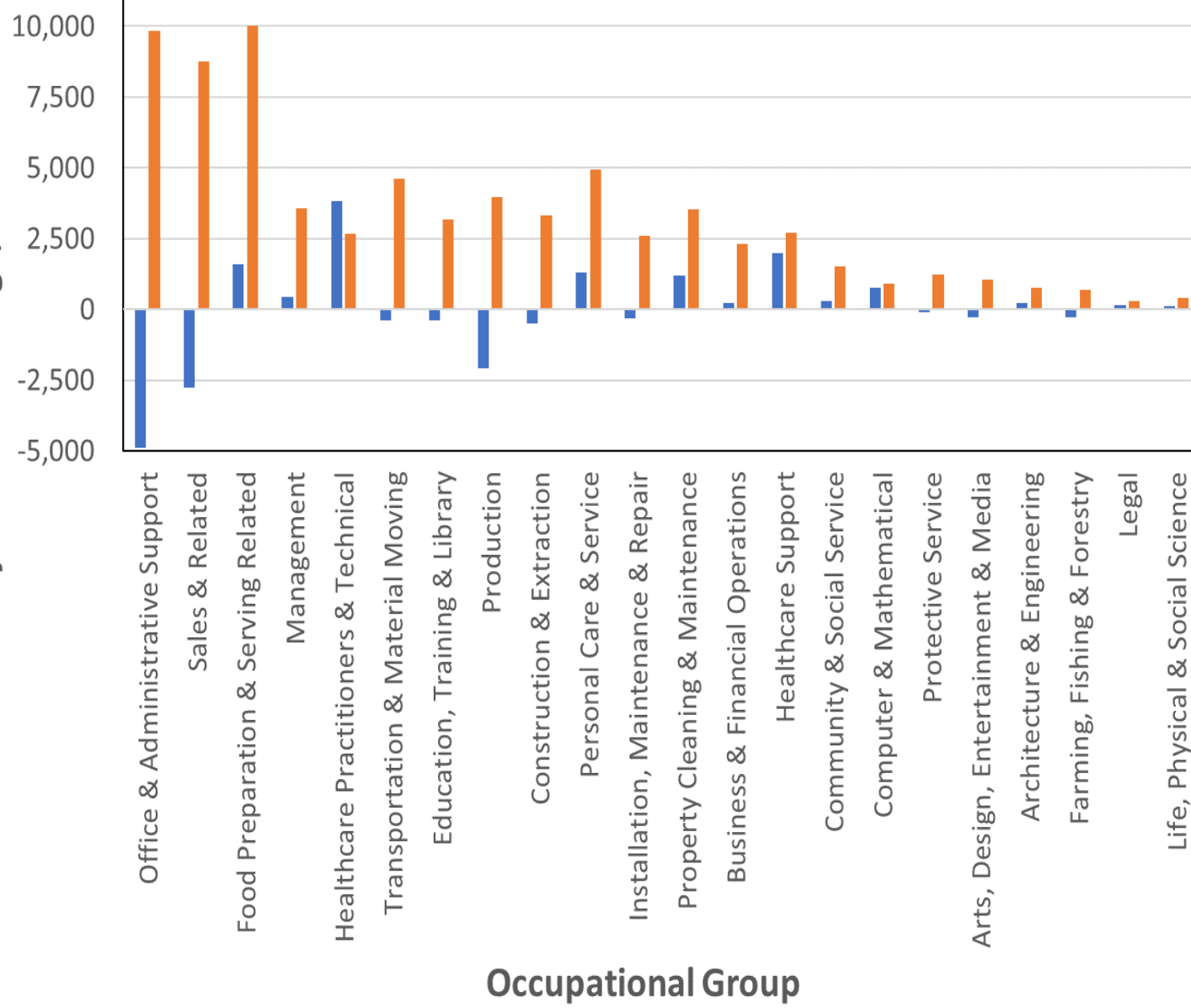


Over the last three decades, the industry structure of jobs changed significantly. The most prominent trends were the near doubling of jobs in the healthcare and social assistance and the professional and business services sectors, as well as the sharp decline in manufacturing jobs. The types of jobs in sectors that are growing have different education, skill, and performance requirements than the types of jobs in sectors that are declining.

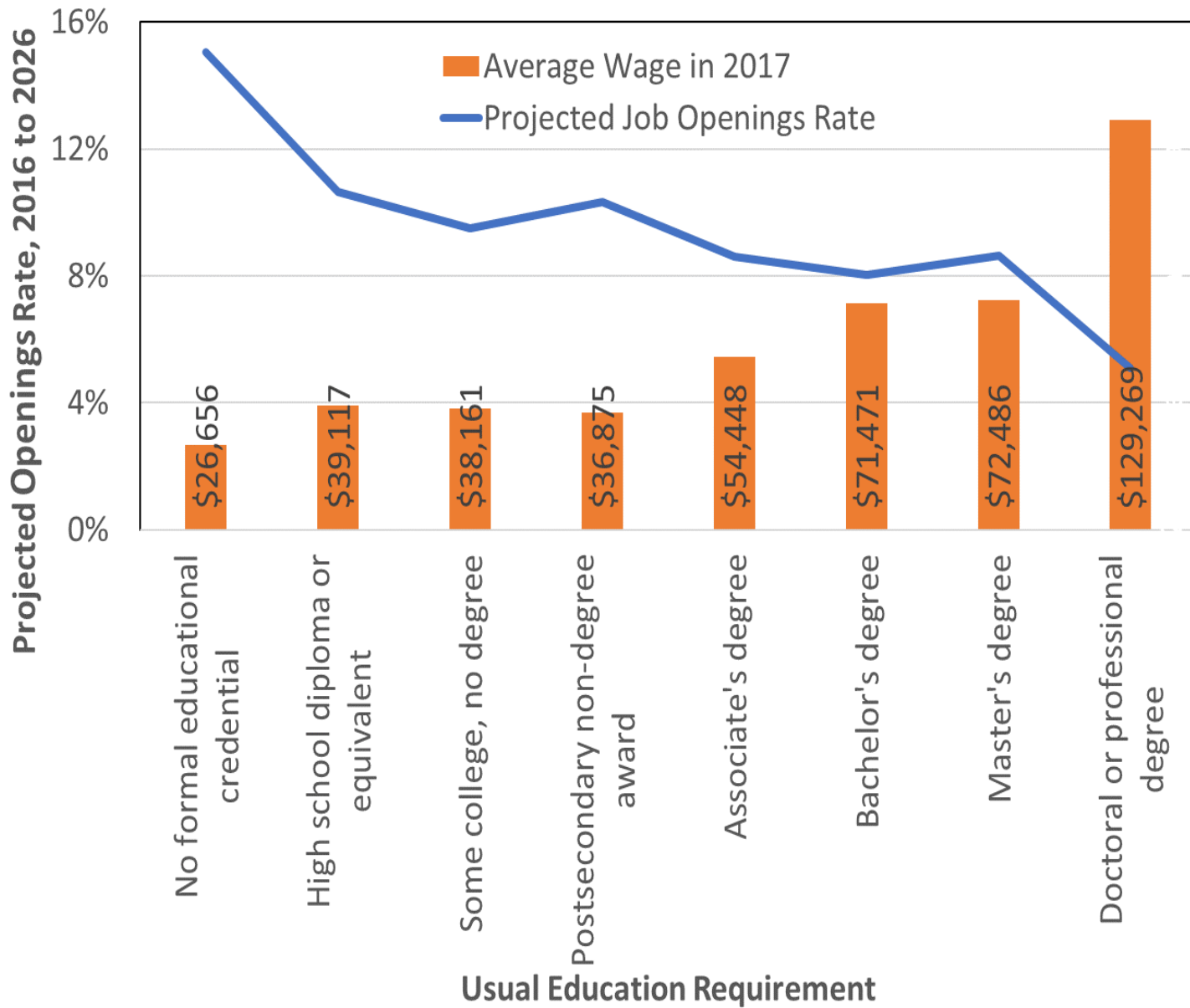


In the decade through 2026, job trends are expected to be similar to the last three decades. The healthcare and social assistance and the professional and business services sectors are expected to continue to be the major job creating sectors, while retail, manufacturing, and government continue to shed jobs. Most sectors are expected to have little net change in the number of jobs.

Projected Job Change, 2016 to 2026



The changes in jobs by industry and changes in technology and other work practices will cause the number of jobs to rise in some occupations and decline in others. Though the number of jobs in some occupations is expected to decline, there will be job openings in nearly every occupation, as people who retire or change their field of work need to be replaced.



Job openings rates are expected to be highest in occupations with limited educational requirements that offer relatively low pay. This is because turnover rates in those occupations are highest as many incumbents are young people who eventually move up the education and earnings ladder. Openings rates are lowest in occupations with the highest educational requirements and earnings.